

## C.11

MEMO TO: City Council

FROM: Rosemarie Ives, Mayor

DATE: October 18, 2005

SUBJECT: **RESOLUTION: ESTABLISH NEW WATER/SEWER CONNECTION CHARGES**

### I. **RECOMMENDED ACTION**

Move to approve resolution establishing new water and sewer connection charge rates for the Redmond Service Area and Novelty Hill Service Area.

### II. **DEPARTMENT CONTACT PERSONS**

David Rhodes, Director of Public Works	556-2705
Bill Campbell, City Engineer/Assistant Director of Public Works	556-2733
Scott Thomasson, Utility Engineering Manager	556-2829
JJ Allen, Management Analyst	556-2748

### III. **DESCRIPTION**

Redmond Municipal Code 13.11.060 provides that water and sewer connection charges shall be established by resolution or ordinance of the City Council. It also provides the amount of the charge shall be reviewed by the Water/Wastewater Utility no less frequently than in January of odd numbered years, and that based upon the review, the Utility shall make a written recommendation to City Council regarding the need for revisions to the charges.

In late 2004, the Utility hired Financial Consulting and Solutions Group (FCSG) to evaluate and update the calculations for Redmond's water and sewer connection charges. FCSG has been doing this analysis for Redmond since the mid 1980's. The water and sewer connection charges for the City Service Area were last increased effective June 5, 2001.

The water and sewer connection charges for a new single family home in a new subdivision will increase from \$2,815 to \$3,280, a 16.5% increase (approximately 4%

per year for the four years since the last adjustment). Primary factors that influence the increase are:

- The increased value of existing assets due to construction projects by the City and additional donated assets by developers;
- Adjustments to the Capital Improvement Program for planned improvements; and
- Increases in interest allocations associated with these assets.

Together all of these items result in an increased cost for new customers to purchase their share of the capital cost of the system. The magnitude of the increase was dampened by the removal of source of supply assets from the computation. This was done because each new connection is paying a regional fee for the Cascade Water Alliance for source, treatment and transmission.

The attached Study Findings and Recommendations provide some additional information and the consultant will be available for questions.

#### **IV. IMPACT**

Fiscal: The connection charge costs to new developments will increase. These additional revenues are placed in the water and sewer construction fund and are used for water and sewer Capital Improvement Projects. The increased revenues from connection charges will help to lessen future increases in monthly rates.

#### **V. ALTERNATIVES**

Council could choose not to adopt the recommended increases. That would mean less funding for the capital program. Also, new customers would not be paying their appropriate amount for their share of the system.

#### **VI. TIME CONSTRAINTS**

The new water and sewer connection charges are proposed to be in place for January 1, 2006. The new fees will not applying to buildings that have already been issued a building permit.

**VII. LIST OF ATTACHMENTS**

- A. Proposed Resolution – Connection Charges.
- B. FCSG slide show.

**William J. Campbell for**  
\_\_\_\_\_  
David Rhodes, Director of Public Works

**10/7/05**  
\_\_\_\_\_  
Date

Approved for Council Agenda \_\_\_\_\_  
**s/s**  
Rosemarie Ives, Mayor

**10/7/05**  
\_\_\_\_\_  
Date

## Water/Sewer Connection Charges

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REDMOND, WASHINGTON, ESTABLISHING NEW CONNECTION CHARGE RATES AND REPEALING RESOLUTION NUMBER 1159.

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WHEREAS, section 13.11.030 of the Redmond Municipal Code establishes General Water and Sewer Connection Charges, and Section 13.11.060 provides that the rate of the General Water and Sewer Connection Charge shall be determined by the City Council, and

WHEREAS, the City Council has considered the recommendations of the Public Works Director and a consultant to the City, and based upon such information the City Council has determined that the following charges will result in payment of an equitable share of the costs of the City Sewer and Water Systems by property owners connecting to said systems, now, therefore,

THE CITY COUNCIL OF THE CITY OF REDMOND, WASHINGTON, HEREBY RESOLVES AS FOLLOWS:

Section 1. The General Water Connection Charge shall be collected for each separate connection to the city water system and is in addition to any other required permit or meter installation fees. The charge shall be based on the meter size for single family residential, commercial/multi family residential, cooling tower, and irrigation uses of the connection as follows:

### A. REDMOND SERVICE AREA

<u>Meter Size</u>	<u>Single Family Residential</u>	<u>Multi Family Residential/Commercial</u>	<u>Irrigation/ Cooling Towers</u>
5/8" x 3/4"	\$ 3,690	\$ 3,740	\$ 3,430
1"	8,970	9,100	8,320
1-1/2"	17,770	18,040	16,480
2"	28,330	28,770	26,270
3"		57,400	52,400
4"		89,500	81,700
6"		178,900	163,300
8"		286,200	261,200

## B. NOVELTY HILL SERVICE AREA

<u>Meter Size</u>	<u>All Classes</u>
5/8" x 3/4"	\$ 80
1"	210
1-1/2"	420
2"	680
3"	1,400
4"	2,100
6"	4,200
8"	6,800

Section 2. The General Water Connection Charge for the Redmond Service Area in Section 1 above shall be reduced by credits for water system improvements constructed to serve the property by the property developer, by Local Improvement District, or for which reimbursement fees are paid.

The maximum credits shall be as follows:

### A. Water Distribution Credit

If water system improvements consist of hydrants, transmission and distribution mains and pump facilities, a credit shall be given in an amount not to exceed the following as determined by meter size:

<u>Meter Size</u>	Single Family <u>Residential</u>	Multifamily <u>Residential/Commercial</u>	<u>Irrigation/</u> <u>Cooling Towers</u>
5/8"-3/4"	\$ 1,340	\$ 1,340	\$ 1,210
1"	3,340	3,340	3,030
1-1/2"	6,680	6,680	6,060
2"	10,690	10,690	9,690
3"		21,400	19,400
4"		33,400	30,300
6"		66,800	60,600
8"		106,900	96,900

#### B. Water Storage Credit

If water system improvements consist of storage improvements, a credit shall be given in an amount not to exceed the following as determined by meter size:

<u>Meter Size</u>	Single Family <u>Residential</u>	Multifamily <u>Residential/Commercial</u>	<u>Irrigation/</u> <u>Cooling Towers</u>
5/8"-3/4"	\$ 540	\$ 590	\$ 530
1"	1,350	1,490	1,330
1-1/2"	2,700	2,970	2,660
2"	4,320	4,760	4,260
3"		9,500	8,500
4"		14,900	13,300
6"		29,700	26,600
8"		47,600	42,600

Section 3. The General Sewer Connection Charge shall be collected for each separate connection to the city sewer system and is in addition to any other required permit or inspection fees. The charge shall apply to each building/structure/use based on the meter size for commercial uses and living units for single and multi family residential as follows:

### Residential

<u>Type of Residence</u>	<u>Redmond Service Area</u>	<u>Novelty Hill Service Area</u>
Single Family Residence	\$ 1,860	\$ 30
Duplex	2,980	50
Triplex	4,470	70
Fourplex	5,960	100
Larger than four units	1,190 (per unit)	20 (per unit)
Mobile Home Park	1,860 (per space)	30 (per space)

### Commercial

<u>Meter Size</u>	<u>Redmond Service Area</u>	<u>Novelty Hill Service Area</u>
5/8"-3/4"	\$ 1,860	\$ 30
1"	4,660	80
1-1/2"	9,320	160
2"	14,900	250
3"	29,800	500
4"	46,600	800
6"	93,200	1,600
8"	149,000	2,500

### Cooling Towers

<u>Meter Size</u>	<u>Redmond Service Area</u>	<u>Novelty Hill Service Area</u>
5/8"-3/4"	\$ 470	\$ 30
1"	1,160	80
1-1/2"	2,330	160
2"	3,730	250
3"	7,500	500
4"	11,600	800
6"	23,300	1,600
8"	37,300	2,500

For sewer connections that do not have a water supply, the Public Works Director or his/her designee shall establish a meter size equivalent for the use.

Section 4. The General Sewer Connection Charge for the Redmond Service Area in 3 above shall be reduced by a credit for sewer system improvements constructed to serve the property by the property developer, by Local Improvement District, or for which reimbursement fees are paid. The maximum credit shall be as follows:

### Residential

<u>Type of Residence</u>	<u>Redmond Service Area</u>
Single Family Residence	\$ 930
Duplex	1,490
Triplex	2,240
Fourplex	2,980
Larger than four units	600 (per unit)
Mobile Home Park	930 (per space)

### Commercial

<u>Meter Size</u>	<u>Redmond Service Area</u>
5/8"-3/4"	\$ 930
1"	2,330
1-1/2"	4,660
2"	7,450
3"	14,900
4"	23,300
6"	46,600
8"	74,500

### Cooling Towers

<u>Meter Size</u>	<u>Redmond Service Area</u>
5/8"-3/4"	\$ 230
1"	580
1-1/2"	1,160
2"	1,860
3"	3,700
4"	5,800
6"	11,600
8"	18,600

Section 5. The amount of the credit shall be determined for each parcel, subdivision, development or connection by allocating system improvement costs to the anticipated connections as follows:

A. Residential Plats/Short Plats

(1) Water Distribution Credit

Take the total costs of hydrants, transmission and distribution mains, and pump facilities, then subtract any reimbursement agreement repayment amounts to be received, then divide the remainder by the number of lots in the plat or short plat.

(2) Water Storage Credit

Take the total cost of the storage improvements, subtract any reimbursement agreement repayment amounts to be received, then divide the remainder by the number of lots in the plat or short plat.

(3) Sewer Credit

Take the total cost of sewer system improvements, subtract any reimbursement agreement repayment amounts to be received, and then divide the remainder by the number of lots in the plat or short plat.

(4) Credit Amount per Lot

The credits for each lot are the amount calculated in Sections 1, 2 and 3 above not exceeding the maximum credits specified in Sections 2 and 4 above.

B. Multi Family Residential and Mobile Home Parks

(1) Water Distribution Credit

Take the total costs of hydrants, transmission and distribution mains, and pump facilities, then subtract any reimbursement agreement repayment amounts to be received, then divide the remainder by the sum of the meter flow factor for all meters in the multi family or mobile home park development, including irrigation meters. Then multiply this resultant figure

by the meter flow factor for each individual meter in the development to determine the credit for each meter.

(2) Water Storage Credit

Take the total cost of storage improvements, subtract any reimbursement agreement repayment amounts to be received, then divide the remainder by the sum of the meter flow factor for all meters in the multi family or mobile home park development, including irrigation meters. Then multiply this resultant figure by the meter flow factor for each individual meter in the development to determine the credit for each meter.

(3) Sewer Credit

Take the total cost of sewer system improvements, subtract any reimbursement agreement repayment amounts to be received, then divide the remainder by the adjusted number of units or spaces in the development, then multiply this resultant figure by the number of units in each building/structure to determine the credit for each building/structure.

(4) The credits are the amount calculated not exceeding the maximum credits specified in sections 2 and 4 above.

(5) The meter flow factors are as follows:

<u>Meter Size</u>	<u>Meter Flow Factor</u>
5/8"-3/4"	1
1"	2.5
1-1/2"	5
2"	8
3"	16
4"	25
6"	50
8"	80

(6) Non-residential uses in a multi family development or mobile home part such as recreation buildings and laundry buildings shall be converted into equivalent multi

family units in the amount of the meter flow factor. These equivalent units shall be added to the actual number of units and this sum shall be the adjusted number of units/spaces for which the sewer credit is calculated.

C. Commercial Developments, Structures and Buildings

(1) Water Distribution Credit

Take the total costs of hydrants, transmission and distribution mains, and pump facilities, subtract any reimbursement agreement repayment amounts to be received, then divide the remainder by the sum of the meter flow factors for all meters in the development, including irrigation meters, then multiply this resultant figure by the meter flow factor for each individual meter in the development to determine the credit for each meter.

(2) Water Storage Credit

Take the total costs of storage improvements, subtract any reimbursement agreement repayment amounts to be received, then divide the remainder by the sum of the meter flow factor for all meters in the multi family or mobile home park development including irrigation meters. Then multiply this resultant figure by the meter flow factor for each individual meter in the development to determine the credit for each meter.

(3) Sewer Credit

Take the total costs of sewer system improvements, subtract any reimbursement agreement repayment amounts to be received, then divide the remainder by the sum of the meter flow factor for all meters which feed connections to the sewer system. Then multiply this resultant figure by the meter flow factor for each individual meter in the development to determine the credit for each meter.

(4) The credits are the amount calculated not exceeding the maximum credits specified in sections 2 and 4 above.

(5) The meter flow factors are as listed above.

(6) For commercial zone subdivisions, credits for plat improvement shall be determined as for residential plats above and may be added to credits for on-site improvements except that the total credit amounts shall not exceed the maximum credits specified in Sections 2 and 4 above.

Section 6. Costs of system improvement from which credits are calculated shall not include costs of side sewers, water meters and services, private fire protection systems or any part of the improvement which does not become part of the City owned and operated system.

Section 7. The Public Works Director or his/her designee may provide an additional credit in the General Connection Charge for new connections on property which is being redeveloped and where water and/or sewer service had previously been provided. Factors to be considered in establishing the amount of this additional credit include: size of previous meters, number of previous units, previous quantity of flow, length of time previous development existed, length of time property is vacant from previous use and, other such factors as may apply.

Section 8. The Public Works Director or his/her designee shall make an additional General Sewer Connection Charge for property which is currently served by sewer service when a new water service or an increased size water service is installed for the property. The additional charge shall be the difference between the General Sewer Connection Charge calculated at the current rates before and after the change.

Section 9. For new connections in older developments where construction costs are not available to calculate credits, the Public Works Department shall estimate the value of the

improvements at the time of construction and determine a credit. If a property owner does not accept the amount of credit determined by the City, the owner may submit such additional information for the City to consider in establishing the credit. Upon review of the additional information, the Director of Public Works or his/her designee shall set the amount of the credit.

Section 10. Resolution number 1159 is hereby repealed.

Section 11. This Resolution shall become effective January 1, 2006. The provisions of this Resolution shall not apply, however, to initial water and sewer connections made after January 1, 2006 for buildings for which a building permit was issued before January 1, 2006, as long as such building permits remain active and are not withdrawn or expire. Water and sewer connections to buildings meeting the requirements of the preceding sentence shall be allowed upon the payment of the fees established by Resolution 1159, provided all other applicable City requirements are met.

RESOLVED this \_\_\_\_ day of \_\_\_\_\_, 2005.

CITY OF REDMOND

\_\_\_\_\_  
MAYOR ROSEMARIE M. IVES

ATTEST/AUTHENTICATED:

\_\_\_\_\_  
CITY CLERK BONNIE MATTSON

FILED WITH THE CITY CLERK:  
PASSED BY THE CITY COUNCIL:  
RESOLUTION NO. \_\_\_\_\_